

aisle for the bipartisan nature of this amendment, which is similar to H.R. 3837, the bill of which I was a proud co-sponsor.

Many of my constituents have had problems with their mortgage servicers. This amendment makes sure that servicers provide faster responses to consumer inquiries and provides increased penalties for abusive servicing practices.

Escrows help homeowners pay their property taxes on time, but many homeowners are unaware of the total cost of the loan because the exact amount of taxes and insurance isn't disclosed at the time of closing. This amendment would make sure that homeowners are informed of the actual amount of the loan, including the escrow payments.

And also, lastly, faulty appraisals have been a huge problem and can have a devastating impact on a family's single largest investment, their home. If the initial appraisal is inaccurate, reselling the home for what the family paid can be nearly impossible.

The amendment creates a Federal independent standard for appraisals enforced by tough penalties.

I urge my colleagues to support the amendment.

Mrs. BIGGERT. Mr. Chairman, I reserve the balance of my time.

Mr. KANJORSKI. Mr. Chairman, I yield 1 minute to the gentlelady from Wisconsin (Ms. MOORE).

Ms. MOORE of Wisconsin. Mr. Chairman, I'll be brief.

I hope that with Mr. FRANK's bill, we can see that these exotic products have created a crisis in the mortgage industry. But as Attorney General Cuomo from New York said, any real estate scam, at the very base and root of it, is a faulty and a bad appraisal.

This is a very commonsense regulation, and I congratulate Mr. KANJORSKI and my other co-authors for bringing this forward.

This amendment is about putting the interests of homebuyers first.

Buying a home is daunting enough without having to worry that the people that supposedly work for you aren't on your side.

The safeguards in this amendment—the independence standards for appraisers and provisions that strengthen Federal oversight of the appraisal process will assure homebuyers that the home they are purchasing hasn't been inflated in “perceived” value by an unscrupulous appraiser.

A bad appraisal can also make it impossible for a subprime borrower to refinance—what happens when they try to get into a prime loan and a responsible bank wants a responsible appraisal done? That's when the other shoe drops and the homeowner finds out they've been duped.

These safeguards would protect consumers, but would also benefit the secondary market and our economy.

When a mortgage is sold on the secondary market, investors need to know that the securities they hold are backed up by a home that has been appraised accurately.

Further, the amendment's requirements that subprime and other at-risk borrowers receive

an escrow account will protect those borrowers from huge end-of-the-year tax bills and will reduce foreclosures.

I urge my colleagues to support the Kanjorski-Biggert-Capito-Hodes-Moore amendment.

Mrs. BIGGERT. Mr. Chairman, I yield the remainder of my time to the gentleman from Alabama, the ranking member, Mr. BACHUS.

Mr. BACHUS. Mr. Chairman, I rise in strong support of this bipartisan amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI). The amendment, among other things, enhances the integrity of the appraisal process, and requires the taxes and insurance on subprime mortgages be escrowed. These are two glaring problems in today's subprime market, and I think both these requirements will go a long way towards making these loans sounder and reducing the number of foreclosures and delinquencies.

These issues are ones that the gentleman from Pennsylvania has worked on for many years. He deserves credit for an amendment that will improve many key aspects of the mortgage origination, servicing, and appraisal process; and I compliment him.

Chairman KANJORSKI worked closely with my colleagues, Ranking Members JUDY BIGGERT and SHELLEY MOORE CAPITO, in crafting the amendment. And the three of them actually offered the amendment that addresses legitimate administrative and operational concerns that have been raised, not only by consumer groups, but by the industry itself. And the mortgage appraisers, or the Appraisers Institute, actually endorsed this measure. And it maintains the underlying bill's strong consumer protection.

□ 1330

And this amendment offers additional strong protections.

I commend all three of our colleagues for their efforts and urge support for the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. KANJORSKI. I thank the ranking member and the ranking lady of the subcommittee. What a pleasure it was to work on this.

I want to say to all my colleagues that may be listening to our discussion today, this is a perfect example of how this House can find bipartisan support for a very complicated issue.

This amendment sounds like an amendment, but it's a 44-page bill standing on its own, which we are hoping to attach to Mr. FRANK's bill so that we solve all of the major problems remaining that can be solved today and then move on to mitigation of loss in the future.

I urge all of my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The amendment was agreed to.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. KAPTUR) having assumed the chair, Mr. CARDOZA, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes, had come to no resolution thereon.

#### PERMISSION TO OFFER AMENDMENT NO. 16 OUT OF SEQUENCE DURING FURTHER CONSIDERATION OF H.R. 3915

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that during further consideration of H.R. 3915 in the Committee of the Whole pursuant to House Resolution 825, amendment No. 16 may be considered out of sequence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 825 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3915.

□ 1332

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes, with Mr. CARDOZA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, amendment No. 2 by the gentleman from Pennsylvania (Mr. KANJORSKI) had been disposed of.

AMENDMENT NO. 3 OFFERED BY MRS. MALONEY OF NEW YORK

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110-450.

Mrs. MALONEY of New York. Mr. Chairman, I offer an amendment.